

Date Mailed
May 29, 2001

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of Northern States Power Company-Wisconsin for
Authority to Maintain Current Retail Electric and Natural Gas
Service Rates in Wisconsin

4220-UR-111

**ORDER TO REOPEN
AND
NOTICE OF HEARING**

Direct Testimony Due:	Tuesday, June 5, 2001 – Noon
Rebuttal Testimony Due:	Friday, June 8, 2001 – Noon
Hearing Date:	Monday, June 11, 2001 – 9 a.m.
Hearing Location:	Public Service Commission, 610 North Whitney Way, Madison, WI

On June 2, 1999, Northern States Power Company—Wisconsin (NSPW) filed an application with the Commission under Wis. Stat. §§ 196.03, 196.20, and 196.37, for authority to maintain current rates for electric and natural gas service. This application was docketed as 4220-UR-111.

The Commission issued a final decision in this docket on October 29, 1999 (Order). The Order contained a forecast of fuel costs, established fuel cost variance ranges, and imposed fuel cost monitoring in accordance with Wis. Admin. Code § PSC 116.04.

On March 17, 2000, NSPW filed an application under Wis. Admin. Code ch. PSC 116 for an increase in rates for electric service due to an emergency increase in fuel costs. On May 2, 2000, the Commission issued an amended order increasing retail electric rates by \$9,578,893. Appendix B of the amended order contains the monitored monthly fuel costs by fuel cost per net kWh produced and the cumulative monthly cost per kWh.

On May 11, 2001, NSPW filed an application with the Commission under Wis. Admin. Code § PSC 116.06 (1) for an increase in fuel costs of \$12,626,197. NSPW states that it has exceeded the limits of the monitoring range for its fuel costs in both February and March 2001—February 2001 actual costs exceeded authorized costs by 15.77 percent and in March 2001 actual exceeded authorized by 34.42 percent. NSPW estimates that it will exceed the annual authorized fuel costs in 2001 by 13.07 percent, which is outside of the two percent annual range authorized

in this order. If the proposed fuel surcharge cannot take effect by July 1, 2001, then NSPW requests that the Commission authorize an interim surcharge increase, or that the Commission authorize deferral of fuel costs incurred after the date of its May 11, 2001 application. For this reason, the Commission hereby reopens docket 4220-UR-111 under Wis. Stats. §§ 196.39 and 196.395 to consider an interim increase in electric rates due to an increase in fuel costs. Upon completion of a full review of NSPW's 2001 fuel costs, a final hearing will be held for the purpose of establishing final rates for NSPW.

NOTICE IS GIVEN that a hearing will be held beginning on Monday, June 11, 2001, at 9 a.m. in the Amnicon Falls Hearing Room at the Public Service Commission Building, 610 North Whitney Way, Madison, Wisconsin, and continuing at times to be set by the presiding Administrative Law Judge. This building is accessible to people in wheelchairs through the Whitney Way first floor (lobby) entrance. Parking for people with disabilities is available on the south side of the building. Any person with a disability who needs additional accommodations should contact the case coordinator listed below.

Any person desiring to become a party shall file a request pursuant to Wis. Stat. § 227.44(2m) and Wis. Admin. Code § PSC 2.32(3) on or before June 5, 2001. The request shall be addressed to Administrative Law Judge David C. Whitcomb, Public Service Commission of Wisconsin, P.O. Box 7854, Madison, Wisconsin 53707-7854.

This hearing will be conducted for the limited purpose of:

1. Determining whether it is reasonable for the Commission to grant NSPW's request for an emergency or extraordinary rate increase in a proceeding limited in scope to the question of the increase in fuel costs under Wis. Admin. Code § 116.06 (1).
2. Determining what rate relief is available, based on changes found in NSPW's fuel costs.
3. Altering the forecast of fuel costs and the fuel cost variance ranges imposed by the Order, on an interim basis, based on changes found in NSPW's fuel costs.

Any increase in rates resulting from this hearing shall be interim in nature and subject to direct refund with interest.

This is a Class 1 proceeding as defined in Wis. Stat. § 227.01(3)(a).

The Commission does not discriminate on the basis of disability in the provision of programs, services, or employment. Any person with a disability who needs accommodations to participate in this proceeding or who needs to obtain this document in a different format should contact the docket coordinator listed below.

Docket 4220-UR-111

The utility is responsible for giving notice to its customers of the filing of its application with the Commission and, pursuant to Wis. Admin. Code § PSC 2.73, for producing proof of notice at the hearing.

Questions from the media may be directed to Jeffrey L. Butson, Public Affairs Director at (608) 267-0912.

Questions regarding this matter may be directed to docket coordinator Michael A. Ritsema at (608) 267-9296.

Dated at Madison, Wisconsin, _____

By the Commission:

Lynda L. Dorr
Secretary to the Commission

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